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Algeria	600 Din.	Arabia	200 R.	China	0.700 R.
Australia	200 A.	Belgium	200 B.	Canada	0.500 C.
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Greece	200 G.	India	200 I.	Italy	200 L.
Japan	200 Y.	South Africa	200 S.	Spain	200 P.
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Yugoslavia	200 Y.				

Reagan Decries Use Of 'Falsehood' in Fight to Aid Rebels

By Gerald M. Boyd
New York Times Service

WASHINGTON — President Ronald Reagan says some opponents of aid to the Nicaraguan rebels have engaged in "scandalous" attacks on him and in "outrageous" falsehoods exceeding the bounds of fairness.

In an interview Friday with The New York Times, Mr. Reagan displayed anger and his voice shook with emotion as he characterized some of the language used in the House of Representatives.

Although the president declined to be specific, he appeared to be talking about the Democratic leadership of the House, including the speaker, Thomas P. O'Neill Jr., after the administration's request for \$100 million in aid was defeated on Thursday, 222-210.

The president said opponents "hungry for victory" had made "flat declarations" that his policy was aimed at sending troops against Nicaragua.

"I am not impugning the motives at all," he said, "but some of the opponents of our program engaged in some of the most scurrilous, personal attacks against me, for example, the most dishonest use of distortions and outright falsehoods that I have heard in a legislative battle."

On other issues during the 30-minute session in the Oval Office, Mr. Reagan made the following points:

- On the disclosures of documents showing that Ferdinand E. Marcos might have amassed a fortune during his 20-year rule, Mr. Reagan said he did not plan to grant immunity to the former Philippine leader for violations of U.S. law.
- He voiced concern that the Iraq-Iran war could spill over and threaten U.S. allies, including Kuwait and Saudi Arabia. The president said there was potential for "throwing a match in the powder keg" as a result of Iran's recent gains.
- He remained hopeful that a Soviet-American summit meeting could still be held in June or July, although no date has been agreed on. He said he was "not surprised" about the lack of progress in arms control and other areas, adding that the Soviet Union had never displayed "any speed" in such negotiations.
- He said he intended to involve himself deeply in the congressional elections this year, traveling and speaking in support of Republican candidates.
- He is not concerned that the United States may be losing ground to the Soviet Union in space exploration as a result of the shuttle explosion. Once the cause of the accident is found, Mr. Reagan said, "we must go forward with the program."
- Mr. Reagan's comments about the opposition to his aid request for the Nicaraguan rebels came as he responded to questions about the



Moslems Protest Against Government in Malaysian State

Datuk Harris Salleh, a Moslem political leader, pointing at a barricade put up Sunday by the police in Kota Kinabalu, Malaysia. A police officer, Ishak Awalan, right, told demonstrators to disperse. The Moslems claim the largely Christian government of Sabah state is anti-Islamic. After a tear-gas attack, many of the protesters took refuge in a mosque.

U.S. Conducts Nuclear Test; Moscow Critical

By Walter Pincus
Washington Post Service

WASHINGTON — The first U.S. underground nuclear weapons test of 1986 was conducted Saturday at the Nevada Test Site, provoking immediate criticism from the Soviet Union.

The device was believed to involve an early design for the warhead of the new Midgetman mobile intercontinental missile.

Minutes after the blast was announced, the Soviet press agency Tass described it as "the Reagan administration's new militaristic action." But it gave no indication whether the Soviet leader, Mikhail S. Gorbachev, would use the test as a reason to end his self-imposed moratorium on testing.

Mr. Gorbachev said March 13 that the moratorium, which began in August and was to end March 31, would remain in effect until the next U.S. test. Soviet officials in Washington later told members of Congress that the first U.S. test after March 31 would lead to the resumption of Soviet testing, a congressional source said.

A State Department spokesman said Saturday that U.S. nuclear testing would continue in order "to ensure the credibility and effectiveness of the U.S. nuclear deterrent."

Steven Meyer, a specialist in Soviet military weapons systems, said Saturday that "Gorbachev has got to go ahead" with testing.

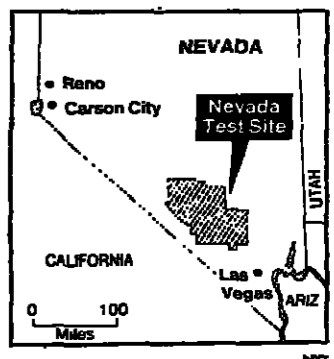
"For him to hold on much longer would require a major movement on the part of the United States," he said.

Mr. Meyer added that he expected the Soviet Union to test "at an increased rate" in the next year both to make up ground lost during the moratorium and to accelerate development of new weapons.

The White House, in permitting the test to take place, ignored pleas for a delay from more than 60 members of Congress.

Administration officials have refused to say what kind of weapon was involved in the test, code-named *Glencoe* and detonated 2,000 feet (610 meters) below the Nevada desert north of Las Vegas.

Sources involved in the nuclear program said the device was related to the new Midgetman warhead, which is one of three nuclear weapons now in the early stages of development.



The United States conducted 17 tests last year, a rate expected to be continued this year, according to sources. The Soviet Union tested seven times in 1985 before the moratorium.

In 1984, the Soviet Union conducted 16 tests, according to a study prepared by the National Resources Defense Council, a non-profit research group.

Pravda Condemns Test

Pravda, a Communist Party newspaper, denounced the test as a disgraceful step that brazenly ignored moral opinion. Reuters reported from Moscow.

In an article headlined "Brazen Challenge to the Peoples of the World," Pravda said: "There was no question of postponing the explosion. How disgraceful it is not to feel a sense of one's own disgrace."

Beijing Denies Report

China denied Saturday that it was holding talks with the United States on setting up a seismic test facility in China capable of monitoring Soviet underground nuclear tests, Reuters reported from Beijing.

A Foreign Ministry statement said a report that it was holding such talks was groundless.

U.S. officials said in Washington last week that during informal talks the United States had proposed to China the building of a cooperative monitoring station similar to one opened last year in Norway.

A facility in China, much nearer the underground test site at Semipalatinsk in the south-central Soviet Union, would give U.S. monitors an improved ability to detect Soviet nuclear tests and to verify compliance with treaties limiting or banning the tests, the officials said.

As Fare Wars Soar, Experts Say Loser Is Air Safety

By Ralph Blumenthal
New York Times Service

NEW YORK — The government's system of assuring air travelers' safety is becoming increasingly strained, according to aviation professionals and congressional investigators.

It is not that flying has suddenly become unsafe, they say, but rather that the system is being stretched thin both by increases in air traffic and a depletion in the ranks of federal inspectors, investigators, air controllers and technicians.

The aviation experts trace the problem to cost-cutting efforts in the federal government and in the industry. A sharp reduction in federal regulation has spawned new airlines and resulting low fares, hurting airlines and airports that rely on federal subsidies.

Officials of the Federal Aviation Administration, which is responsible for ensuring air safety, say that while federal budget cuts are not reducing safety, further large reductions would have a serious effect.

Already, they say, shortages of inspectors and deficiencies in training, among other budgetary effects, are making it harder to maintain safety standards.

Meanwhile, key congressional committees are voicing concern that safety has already been compromised. Senator John Glenn,

Democrat of Ohio, and others have urged that no new airlines be certified for the time being.

Aviation experts, including some in the FAA, and congressional investigators cited these concerns in recent interviews and hearings.

- Growing evidence of violations in airline maintenance, operations and training.
- Figures indicating that the gap between the volume of air traffic and the number of people who supervise safety is widening, despite planned staff increases.
- A longstanding camaraderie between the FAA and the airline industry and a pattern of uneven enforcement that allows airlines to shop around for more favorable treatment.

In congressional hearings on air safety this

month, government officials cited the industry's exemplary safety record. Although last year brought a near-record number of domestic aviation fatalities, experts agreed that the accidents were statistically random and not more serious erosion of the entire safety system which started in 1978 and will continue through 1986 and beyond," said John O'Brien, air safety director of the Air Line Pilots Association, appearing before the House Public Works and Transportation Subcommittee on Aviation.

Heading the list of concerns is growing evidence of maintenance and other safety violations in an era of intense cost competition and fare wars. The trends stem from the airline industry's deregulation, which began in 1978.

Eastern Airlines, which is in financial trouble, was notified this month that the FAA was planning to impose a record \$9.5 million fine on the company for 8,000 safety and rule violations, including failure to inspect a landing gear component properly.

One of the assemblies did collapse in a landing, but no one was hurt. Eastern said it would contest the findings as inaccurate.

The proposed penalty far exceeded the previous record, a fine of \$1.5 million against American Airlines.

That company was fined for multiple violations last September after maintenance errors caused an engine to fall off a Boeing 727 over New Mexico and a wing slot to fall off a DC-10 as it was landing at the Dallas-Fort

Elizabeth H. Dale, secretary of transportation, and Donald D. Engen, the FAA administrator, have assured Congress that safety improvements are proceeding. They said that while spending cuts made under the new budget-balancing law had stalled efforts to restore some key safety staff members who had departed.

But witnesses told Congress that they were worried about the long term.

"What we are facing is a slower but poten-



Striking Filipino workers blocked the entrance to the U.S. naval base at Subic Bay.

Bhopal Pact Will Award \$350 Million

United Press International

DANBURY, Connecticut — Union Carbide Corp. said Sunday that it had agreed to pay \$350 million in damage claims from the gas leak at its plant in Bhopal, India, that caused the worst industrial disaster in history.

The tentative settlement was reached with lawyers for victims of the disaster, said Harvey Cobert, a Union Carbide spokesman.

The leak of methyl isocyanate gas on Dec. 2, 1984, killed more than 2,000 people and injured 200,000 others.

The \$350 million, paid over time, will produce a fund for the victims of Bhopal of between \$500 million and \$600 million because of accrued interest, Mr. Cobert said.

The class action settlement covers everyone harmed by the disaster whether or not they have filed suit against Union Carbide.

Mr. Cobert said that it has not been determined who would get the money but that it would be put in a fund to be distributed by the Indian government.

Impact on Carbide

Earlier, *Suvar Diamond of New York Times* reported from New York:

Many legal and financial analysts had expected the settlement to be in the \$600-million range, and experts said the amount bodes well for Carbide, which recently survived a takeover attempt.

The settlement requires the approval of a U.S. District Judge John F. Keenan, who presides in

(Continued on Page 5, Col. 5)

Revelation of Marcos Shareholding Gives Big Lift to 2 Inquiry Panels

By James Rupert
Washington Post Service

MANILA — The government won a surprise victory last week in its search for the hidden wealth of Ferdinand E. Marcos when Defense Minister Juan Ponce Enrile revealed Mr. Marcos' secret stockholding in the nation's telecommunications monopoly Sunday.

The revelation prompted the company to hand over stock valued at \$20 million to the government.

Mr. Enrile, himself a stockholder in the company, Philippine Overseas Telecommunications Corp., made the announcement Friday.

He told company directors that about 40 percent of the company's stock, listed in the name of two Manila companies, was owned by Mr. Marcos.

The government had frozen the company's stock last week as it opened an investigation into how the company, once owned by the state, had come into the hands of private investors close to Mr. Marcos.

Such developments have been welcomed by the two government commissions leading the investigation of the Marcos wealth.

"We have an overload of information," said Steve Salonga, a lawyer for the Commission on Good Government, which is headed by his father, Jovito R. Salonga.

That panel and the Commission on Audit have faced some resistance to their investigation by fearful employees in government agencies and state-owned companies.

Investigators, nevertheless, are fitting together a tableau of corruption by Mr. Marcos and his friends.

The picture, investigators say, is of a man who began his political career in traditional Philippine ways, helping friends and building alliances with the favors of politicians.

Several businessmen and one former Marcos minister suggested that while previous Philippine presidents had built oligarchies to sup-

Under New Pact, Soviet Will Update Same Chinese Plants It Built in '50s

By John F. Burns
New York Times Service

BEIJING — China and the Soviet Union, in agreeing formally on an exchange of engineers and technicians, have cleared the way for the assignment of the first Soviet experts to work here since the two Communist powers fell into dispute a quarter of a century ago.

Officials of the two countries signed a protocol Friday covering the exchange at the end of a week-long visit here by Ivan V. Arkhipov, a Soviet deputy prime minister.

Mr. Arkhipov, a 28-year-old economic expert, supervised Soviet programs in China in the 1950s that involved about 11,000 Soviet scientific and technical personnel. By the middle of 1960, all of them had been withdrawn.

The official news agency Xinhua announced the signing, but offered no details. Soviet officials previously had disclosed that Soviet technological assistance would be extended to at least 17 major Chinese industrial plants and projects that are to be upgraded under a 1984 agreement.

Most if not all of the projects were among the 130 that Soviet experts helped build before the rift on ideological and other matters caused Nikita S. Khrushchev to cancel all Soviet aid to China.

The return of Soviet experts will give the Kremlin a hand in China's ambitious program of economic modernization. But its role is likely to be a small one, at least at the outset, compared to the activity here of engineers and technicians from the United States, Japan and other non-Communist industrialized nations.

The ceremony Friday appeared nonetheless to be a milestone for two nations that were barely talking or trading before the autumn of 1982, when talks on normalizing political relations resumed after a gap of several years.

After seven sessions of negotiations in Beijing and in Moscow, those discussions remained at an impasse over disagreements on Afghanistan, Cambodia and the confrontation of troops along 4,500 miles (7,234 kilometers) of frontier that separate the two nations. Meanwhile, progress on virtually every other aspect of the relationship continued.

Mr. Arkhipov's visit here, his second in 15 months, reflected the mood of improving relations. Upon arriving, he remarked that "the potential for cooperation between the Soviet Union and China is enormous."

The Chinese responded in a more restrained fashion, acknowledging the "great potential" for economic and technical cooperation but reminding their visitor of the need to remove the "obstacles" that have sagged political talks.

Beijing has abandoned the hostility that developed in the decade after the Soviet experts were pulled out. In those years, the Russians were assailed for dams that caused flooding, plants that produced trucks with a life span of two or three years, and other economic shortcomings.

Today, senior officials in Beijing say that China "treasures" the cooperation that developed in the 1950s, when Soviet plants valued at \$1.4 billion laid the foundations of China's machine-building, iron, steel, petrochemical and mining industries, among others.

Many of those plants still play a vital role in the economy. For example, open-hearth blast furnaces

Dublin Frees Suspect in IRA Attacks

The Associated Press

DUBLIN — A woman accused of three IRA killings in London was freed here by a court, rearrested after a chase with police during which shots were fired, and then freed for a second time.

The release Saturday of Evelyn Glenholmes, 29, of Belfast, touched off a political storm both in Ireland and in Britain, where she is wanted in connection with five Irish Republican Army bombings in London in 1981. Her whereabouts Sunday were unknown.

The Irish government was described by a spokesman as furious that British authorities had presented defective extradition warrants that led to Miss Glenholmes' release. Justice Minister Alan Dukes ordered a full inquiry Saturday night.

The district justice, Peter Connellan, initially ruled that warrants issued by British authorities accusing Miss Glenholmes of nine separate terrorist crimes, including three murders, were invalid because a London magistrate had issued them without hearing sworn testimony.

Mr. Connellan rejected the British extradition application and set her free.

Less than an hour later, Miss Glenholmes was arrested again as she tried to dash into a department store after a high-speed car chase with police through central Dublin.

The Press Association, Britain's domestic news agency, said a policeman fired as many as nine shots. No one was wounded.

Miss Glenholmes was returned to Dublin District Court for a special session and was ordered freed by another district justice, Joseph Plunkett.

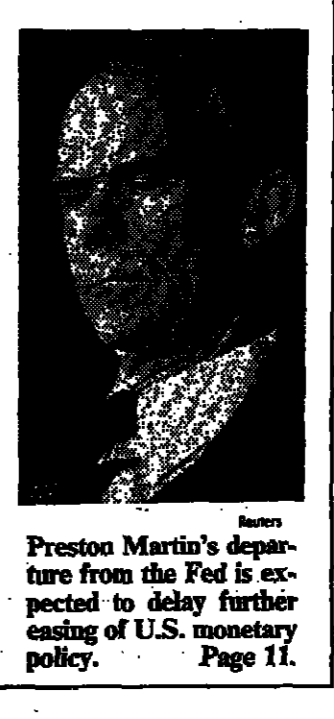
Justice Plunkett rejected a request from Michael Carty, detective inspector of Ireland's Security Task Force, to remand Miss Glenholmes in custody pending the arrival of a new extradition document from London.

Minutes after the court ruling, she was driven at high speed to an undisclosed destination with her lawyer and leaders of Sinn Fein, the IRA's legal political wing.

INSIDE

GENERAL NEWS

- Michelle Sindona died of cyanide poisoning four days after she was convicted of arranging a murder. Page 7.
- Pressure is said to be increasing on the Thai government to extend the tenure of the army commander. Page 2.
- U.S. Democrats are alarmed by the electoral successes of adherents of Lyndon LaRouche, a far-right ideologue. Page 3.
- BUSINESS/FINANCE
- OPEC ministers bogged down in a debate over a proposed output cut. Page 9.
- Talks broke off between Britain and General Motors Corp. on the proposed sale of two B.L. units. Page 9.



Preston Martin's departure from the Fed is expected to delay further easing of U.S. monetary policy. Page 11.

WORLD BRIEFS

Aquino Calls on Rebels To Negotiate and Vows To End Military Abuses

By Jonathan C. Randal
Washington Post Service
BAGUIO, Philippines — President Corason C. Aquino has renewed an appeal to Communist rebels to lay down their arms and negotiate with her government...

Communist insurgency since Mrs. Aquino took office Feb. 25, military sources said. The continued fighting reportedly has been a source of tension between Mrs. Aquino and her civilian advisers on one side and the military men who supported the rebellion against Mr. Marcos on the other.



Militant Sikhs wielding swords and sticks retreat as tear gas shells explode near the state assembly in Chandigarh.

3 Are Killed in Punjab City Besieged by Sikhs

NEW DELHI — Three people were shot to death Sunday in Batala, a city in the state of Punjab that has been besieged by thousands of Sikh militants for five days, United News of India reported.

forced to stop and were shot by Sikh youths on the outskirts of Batala, a Hindu-dominated industrial center north of the Sikh holy city of Amritsar. A fourth person, also a Hindu, was reported wounded.

the city since Wednesday, cutting off supplies of food, milk and other essentials. Batala has been under curfew since March 16 after an outbreak of rioting between Hindus and Sikhs.

The speech reflected the Aquino government's dependence on the unusual military-civilian coalition that brought her to power.

Mrs. Aquino vowed to build the military into a strong and modern force, but also made it clear that she intended to control policy and insist on the accountability of the military.

Addressing her message to the Communist insurgents, she said, "now that evil has fled from the land" with the removal of Mr. Marcos, she would ask guerrillas of the New People's Army to rejoin their people in rebuilding our country.

Mrs. Aquino did not elaborate. She is rumored to be planning to offer a partial amnesty to members of the 16,000-man New People's Army, the armed branch of the Philippine Communist Party.

At least 290 Filipinos, most of them government troops, have died in 172 incidents related to the

Manila Panel Pressure Mounts on Thai Government To Extend Term of Army Commander

By William Branigin
Washington Post Service
BANGKOK — The government of Prime Minister Prem Tinsulanonda is coming under pressure to extend the tenure of the army commander amid growing tensions within the armed forces, according to Thai military sources.

The pressures mounted Friday with an unusual news conference in which two senior army generals publicly called for General Arthit Kamlang's term to be extended for a second year.

General Arthit said Friday that Thailand would suffer an "economic loss" if his retirement, now scheduled for Aug. 31, were not put off again.

These days are very tough for General Prem, said a senior Thai officer who said he was neutral in the dispute. He said that General Arthit and his chief military rival, General Chaovalit Yongchayuth, the army chief of staff, were jockeying for position.

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In 2d of Rulings Against Pretoria, Court Overturns Curbs on a Black

By Glenn Frankel
Washington Post Service
CAPE TOWN — A South African court has overturned an order that had limited the freedom of an anti-apartheid activist in the city of Port Elizabeth.

It was the second judicial decision in days to go against government handling of security matters. The ruling Saturday lifted restrictions imposed earlier this month on Mkhusele Jack, 28, a black leader.

In both decisions, judges rejected the orders because the minister of law and order, Louis le Grange, had failed to state reasons for issuing them.

The police said a burning tire was looped around a woman in Adelaide and that another woman died when her house was set afire in the same region.

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WORLD BRIEFS

Arafat Asks U.S. Response on Peace CAIRO (Reuters) — Yasser Arafat, the chairman of the Palestine Liberation Organization, demanded Sunday a U.S. response to his ideas on a Middle East peace formula.

Physicists, in Poll, Show Doubt on SDI WASHINGTON (UPI) — A majority of American physicists doubt that President Ronald Reagan's proposed Strategic Defense Initiative could effectively protect the United States against a Soviet nuclear attack, according to a poll.

Bangladesh Leader Eases Martial Law DHAKA, Bangladesh (Combined Dispatches) — Lieutenant General Hussain Mohammed Ershad has relaxed martial law and accepted the resignations of 26 members of his 35-member cabinet, government radio said Sunday.



Hussain Mohammed Ershad

Jailed Solidarity Activists Ending Fast WARSAW (Reuters) — Two jailed activists of the banned Solidarity trade union planned to end their six-month hunger strikes Sunday in response to an appeal by the Roman Catholic Church, church sources said.

Salvadoran Probed in U.S. Man's Death SAN SALVADOR (NYT) — A Salvadoran Army officer is being investigated for possible involvement in the mysterious killing last month of an American here, according to several officials following the case.

Haiti Strike Ends After Officer Held PORT-AU-PRINCE, Haiti (UPI) — The government has announced the arrest of an army captain accused of mistreating a bus driver who passed him on the road in an incident that helped cause violence that left at least 10 persons dead.

Mitterrand Conducts Meeting Of a Cabinet of Political Foes PARIS — President François Mitterrand has held his first cabinet meeting with the leaders of a new conservative government made up of his political opponents.

For the Record Spain will grant diplomatic status to the Palestine Liberation Organization, Foreign Minister Francisco Fernandez Ordonez said Saturday, on his return from talks in Tunis with Cheddi Klibi, secretary-general of the Arab League.

DOONESBURY cartoon strip featuring characters like Dear God, I'm scared, God, and The Color Red.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Narrow Path for France

John F. Kennedy set the fashion for governments to stake much on their first hundred days. Jacques Chirac will be tempted. Before the next presidential election — two years away at most — he must show that France's economy is prospering because of what he has done, not what he inherited.

plines and expansionary budgets. For a country which has only just brought its foreign balance and internal inflation under control, the dangers would be immense.

Haiti and the General

Once again, a Haitian general has proclaimed himself president, and with that his country lurches back into an unhappy familiar pattern. Lieutenant General Henri Namphy was previously president of the six-man council that had been running Haiti following the flight of President-for-Life Jean-Claude Duvalier last month.

the money desperately needed for roads, clinics and schools.

Turning Point on Acid Rain

The web of nature is so resilient that it tears only under the roughest insults. That's why biologists concerned about acid rain have had so hard a case to prove. Rain made acid by industrial pollution doesn't eat visible holes in leaves or poison fish in a single downpour.

Mr. Reagan said he fully accepted a new report by Drew Lewis, his former secretary of transportation and special envoy to Canada on acid rain. Mr. Lewis did not recommend a control program but stated the logical basis for one, acid rain, he concluded, is a "serious environmental problem" with high potential for long-term socioeconomic costs.

Ulster: Tribal Reflexes Must Be Softened

By Garret FitzGerald

The writer is the prime minister of Ireland.

DUBLIN — The most intractable political problems are, arguably, those involving a conflict of rights. A classic example is the Middle East where Israel's right to exist in peace and security has to be reconciled with the Palestinians' right to a homeland.

A spirit of compromise is required if we are ever going to resolve another of the world's most durable political disputes — that involving Northern Ireland. Any thoughtful analysis of the Northern Ireland problem must define it too as a conflict of rights.

The differing perspectives of the majority and minority communities each have validity. The majority Protestant community is proud of its distinctive traditions and its association with the United Kingdom. And it has long claimed that its majority status confers the right to determine the character of political life in Northern Ireland.

search for progress. Finally, last November, after painstaking negotiations that involved compromise on both sides, Prime Minister Margaret Thatcher of Britain and I signed the Anglo-Irish Agreement.

The agreement is a genuine attempt to alleviate the inequalities felt

Real courage is the courage to find a compromise. Cowardice, by contrast, retreats behind slogans and consents to the further loss of innocent lives.

the political fabric of Northern Ireland eventually disintegrated.

by the nationalist community without in any way depriving the unionists of their rights and their sense of belonging to the United Kingdom.

Falling Oil Prices Will Take Toll on Rich and Poor

By Giles Merritt

BRUSSELS — Most countries around the world are rubbing their hands over the collapse of oil prices and trying to decide how best to spend the money saved. Should it go on new industrial investments, they ask themselves, or should it be used to trim budget deficits? Above all, will the windfall be enough to guarantee lower interest rates, stronger corporate profits and the resumption of real growth?

It seems a shame to spoil such dreams, but the truth is that cheap oil has its drawbacks too. There are now serious fears that the halving of crude oil prices could soon plunge the rich industrial countries into a new cycle of economic difficulties.

The immediate worry is that giveaway oil prices may bankrupt non-Gulf oil producers and trigger an uncontrollable international debt crisis. In the longer term, there is concern that the West's industries will quickly abandon their energy conservation habits, and return to the inefficiencies and wastefulness that helped generate today's low growth and high unemployment.

There is a lengthy list of oil exporting countries that are being knocked sideways by cheap crude oil prices. The calculation is that each dollar-a-barrel price drop for a medium-sized producer like Mexico or Indonesia equals a \$500-million loss in annual export earnings. As prices have now sunk to around \$12 to \$15 a barrel from \$30 to \$35 last autumn, the impact on the oil-rich members of the Organization of Petroleum Exporting Countries has been disastrous.

creasingly vulnerable. Even Saudi Arabia has just made history by postponing publication of its 1986-1987 budget for five months while it struggles to bring expenditure into line with revenues.

The indebted developing nations that make up the "Group of 24" recently drew attention to the im-

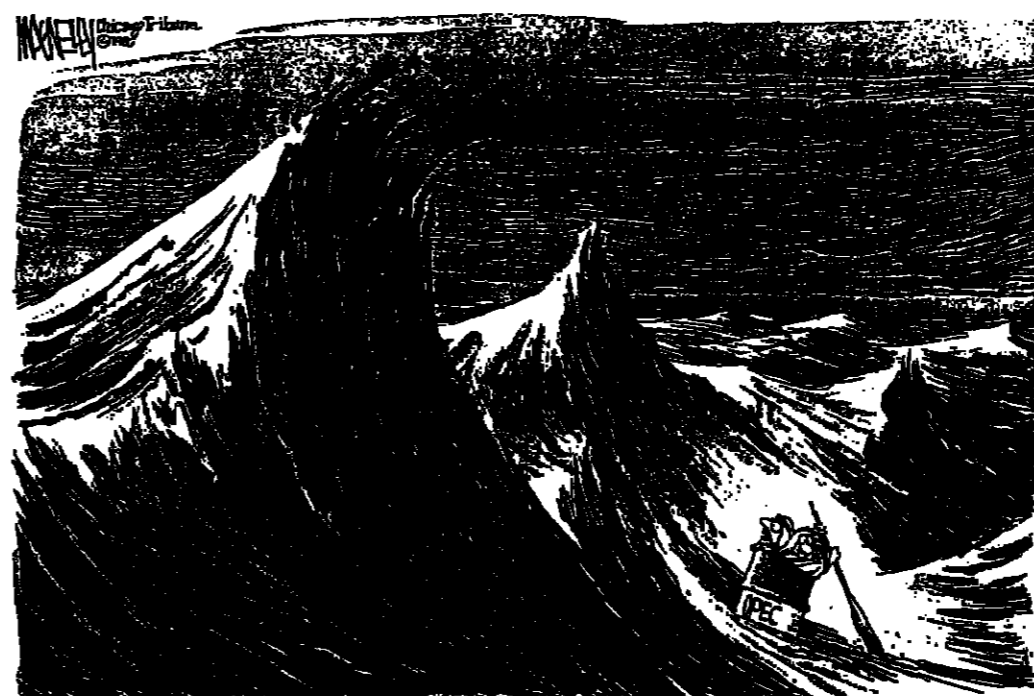
part of lower oil and commodities prices on their economies. They emphasized that the U.S. government's Baker plan — named after Treasury Secretary James A. Baker 3d — for bolstering the debtor nations will be insufficient.

in the meantime, the Gulf oil producers' own loans and investments in Africa and elsewhere may

soon be disrupted, while the remittances sent home by foreign workers in the Gulf oil fields have already been slashed.

The indebted developing nations that make up the "Group of 24" recently drew attention to the im-

The Gulf states are being much harder hit by cheaper oil than anyone could have forecast.



U.S. Energy Markets Are Now Open to Competition

By Michael D. Tusiani

NEW YORK — Most Western observers welcome the recent drop in crude oil prices. The economic benefits of lower energy costs seems obvious. But for the United States, the gain may be illusory. America's competitors in Japan and Europe will benefit far more.

Oddly enough, cheap oil means trouble for America. Expensive energy helped us to compete. More precisely, our competitors' expensive energy helped us. Today, falling oil prices and the weak dollar leave us without a fuel cost advantage.

America's manufacturing strength withered even while we enjoyed a cost advantage. Steel, automobiles, electrical goods and other key industries destined during an era of controlled domestic energy prices. American companies lost out to foreign competitors with higher energy costs.

I believe that lower energy prices will last, with ample supplies of oil and gas for some years to come. This means we need a new "energy independence" program, and a new strategy. The last energy independence plan — arguably America's last national economic strategy — has run its course.

give us the cheapest energy enjoyed by any developed nation. This advantage would make our factories and mills hum again. But this would happen only if oil were expensive.

For the past several years, the strong dollar kept Europe's and Japan's oil more expensive than ours. The agreement in September by the

Group of Five signaled the end of that reprieve. Now, with falling prices, foreign oil is cheaper than some of our domestic sources. We have no energy cost advantage.

For many years in the 19th century, America had the world's cheapest coal. For most of the 20th century we had the world's cheapest oil. These advantages are gone and we must learn to do without them. We are the Arabs of yesterday.

Cheap oil will also bring problems specific to our energy industry. It is no longer economic to explore for and develop marginal oil and gas fields.

A nation living beyond its means should tax consumption, not production. America now has the chance to phase in a tax on gasoline and diesel fuel without raising the pump price.

development in the United States than any other country. With oil at \$17, much of this investment is unprofitable. The banks eventually may face tens of billions of dollars worth of nonperforming loans.

A number of America's most important trading partners depend heavily on oil exports for foreign exchange. How does Washington think Mexico, Venezuela and Egypt will service their foreign debt and pay for future American goods?

the agreement has withstood the challenges of the first few months of its existence. We were heartened by election results in January in which moderate Catholic candidates did well while extremists fared poorly — suggesting that among the nationalist community the agreement has enlarged the appeal of those politicians who support peaceful progress while undermining support for the Irish Republican Army.

Extremists will always reject compromise as a "sellout," a phenomenon by no means unique to Northern Ireland. The tribal reflex, the instinct toward domination (itself a function of fear of domination) are never easy to change.

At present, the United States and the European Community seem more concerned with the idea of smoothing the disruptive impact of cheaper oil by applying new energy taxes. But if oil prices continue to stagnate they will probably have to reschedule or even renegotiate the OPEC's Latin American and African members.

That means industrialized countries will be subsidizing interest owed to them with funds that might have been used to finance their own economic growth. Such sacrifices on behalf of OPEC will not go down well politically, yet it is still preferable to a worldwide financial crisis brought on by big debt defaults.

'Contra' Aid For Fighting Good Fight

By William Safire

LOS ANGELES — Consider the rejection of President Reagan's Central American policy as a lesson in geology: The political quakes and tremors that led to the president's decisive defeat in Congress on Thursday, denying aid to the anti-Communist fighting Nicaragua's dictator, lay bare the two great stresses on the foundations of U.S. foreign policy.

The first is the tension between hawk and dove in the formation of public sentiment that determines intervention or isolation. The American house has long been deeply divided over whether early intervention ultimately saves lives (the Munich analogy) or leads to a quagmire (the Vietnam analogy).

Does this easy hawk-dove classification ignore the subtleties of the argument over when and where to apply U.S. power? Of course; but there can be no denying the pervasive difference of mind-set that identifies the opposing forces and underlies their arguments.

The attitude of much of the younger generation of leaders and activists was hammered on the anvil of Vietnam. The doves among them believe that the defeat of U.S. intervention there vindicated their movement; the hawks among them, along with many of the generation that learned to dread appeasement of aggression, believe with equal intensity that dovish defeatism and opposition emboldened the enemy and contributed to America's defeat.

In the rise of Reaganism and the rejection of McGovernism, Americans assumed that hawks had made a comeback. Perhaps we have; in the coming month, a campaign against "too little and too late" from the White House, along with specific promises of Mr. Reagan's campaign help, and denial thereof, may reverse Thursday's triumph of the doves.

But the refusal of so many Democrats to flinch at charges of being "soft on communism" — in an instance, ironically, when the charge is not phony — shows a hawkishness that slow-moving conservatives that the president has failed to alert the public to the danger he sees.

This hawk-dove confrontation over aid to the "contras," or rebels, was healthy. The issue was clearly drawn; accountability for isolationism is now clearly established, not to be covered up by subsequent cosmetic votes. Hawks never consider defeat to be as bad as pre-emptive surrender, and are not ashamed at having fought the good fight with vigor.

If Mr. Reagan were to accept a thin-gruel substitute in a few weeks from doves with second thoughts, he would humiliate himself and defeat his own purposes. Compromises lead to defeat without accountability. America must help allies fight to win or not encourage them to fight at all; not enough is not enough.

The second great stress in the U.S. system revealed by the debate and vote on Thursday is the unresolved question of the war power. The Congress, says the U.S. Constitution, has the power to declare war, and the president, as commander in chief, has the power to conduct operations in such a war.

In our time, the senatorial descendants of "Bluff Ben" Wade and House successors to Thaddeus Stevens have wrestled back the war powers seized by Abraham Lincoln and Franklin Roosevelt, during the weak and presidency after the Watergate affair and the Vietnam War, the ground shifted toward greater congressional war power. In the 1980s, the war power, along with national self-confidence, started to sludder back to the White House.

Neither the president nor Congress will ever win this struggle because "limited war," or informal war, or proxy war, is not covered in the constitution. That means the natural division between hawk and dove is likely to play out its drama in the same arena where president and Congress fight for institutional dominance.

This is "the good fight," with the word "good" not meaning holy or exciting, but "ethical" as in "the good book." But this constant political struggle is not between good and evil, or dictatorship or anarchy. The policy and power, fight, now under way is between good and bad judgment about "protecting" Americans' freedom, about checking executive power without paralyzing the nation.

Let the specific fight about the contras proceed to a conclusion that does not split the basic difference; rather, that ends the round with an accountable victor.

The New York Times

LETTER

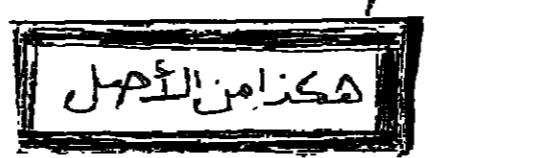
Manila: Uneven Justice? Regarding "Marxos' Wealth Is Estimated in Billions of Dollars" (March 6):

Will the Aquino government's investigations into ill-begotten wealth be extended to President Aquino's defense minister, Juan Ponce Enrile, to his vice president, Salvador H. Laurel, and to all the other converts to her cause who enriched themselves during the Marcos regime? Or is the investigation a question of selective justice — a political vendetta?

The only thing that has changed in the Philippines is the names — and not even all of them. Six months from now, your editorial writers will be after the new crowd, and you will wish Mr. Marcos were back.

J.B. HENDERSON, Greenwich, Connecticut.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. FALEY, ARTHUR OCHS SULZBERGER Co-Chairman



'Contra' Lawmakers Predict More Battles Over 'Contra' Aid

By William S. ...

LOS ANGELES — Congress is expected to vote on a bill to fund the Contras in Central America. The political climate is tense, with many lawmakers predicting further battles over the aid.

Many were searching for a formula that would apply pressure on both the White House and the Nicaraguan government to pursue negotiations more seriously.

Reagan administration, however, says the negotiations should be in the first place between the Sandinistas and the rebels, known as "contras."



President Daniel Ortega Saavedra of Nicaragua, speaking to Sandinist community leaders, said Managua was ready "at any moment" to hold peace talks with Washington.

President Daniel Ortega Saavedra of Nicaragua, speaking to Sandinist community leaders, said Managua was ready "at any moment" to hold peace talks with Washington. He said that although the U.S. House had rejected providing \$100 million in aid to Nicaraguan rebels, Washington was acting as if it were preparing to heighten the conflict.

Shultz, Turk Disagree on Textile Imports

ISTANBUL — The U.S. secretary of State, George P. Shultz, facing demands from Ankara for more trade openings in the United States, disagreed Sunday with a Turkish business leader over U.S. textile import quotas. Mr. Shultz arrived in Istanbul Saturday for meetings on Turkish-Greek relations and U.S. aid to Turkey.

Carbide Agrees to Pay \$350 Million for Bhopal

(Continued from Page 1) Manhattan. Sources said it would probably be made final in six months or less. Sources close to the case said that the government of India was not part of the tentative settlement.

Reagan Says That Opponents of Aid for Nicaraguan Rebels Engaged in 'Scurrilous' Attacks on Him

(Continued from Page 1) ... can troops into Latin America, because the memory of the great colossus of the North is so widespread in Latin America, we would lose all our friends if we did anything of that kind.

Reagan Praises Carter

Bernard Weinraub of The New York Times reported from Washington: President Reagan, saying he "felt very bad" about Jimmy Carter's recent criticisms of him, has praised the former president's record on national defense and wants to tell him so face-to-face.

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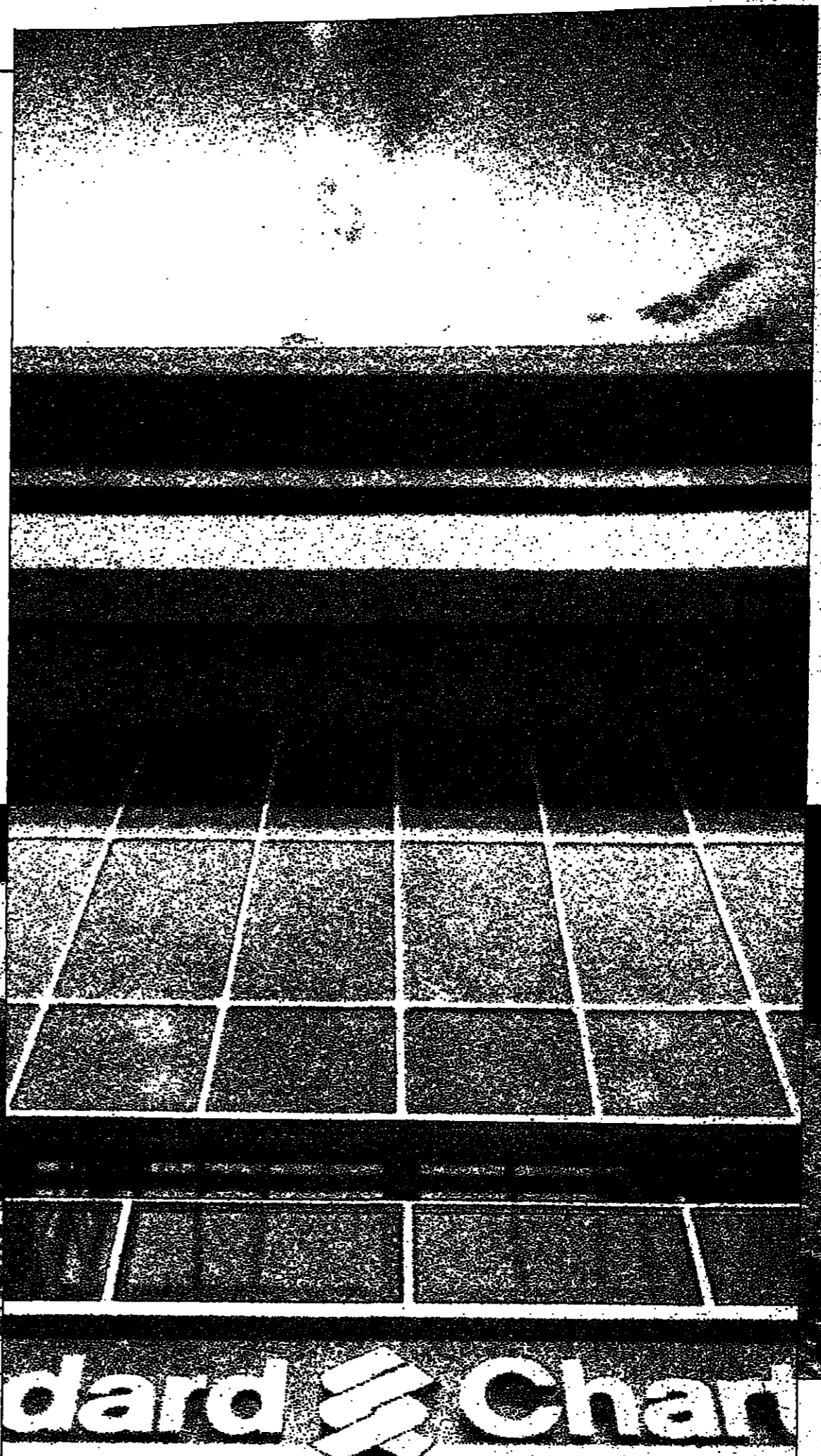
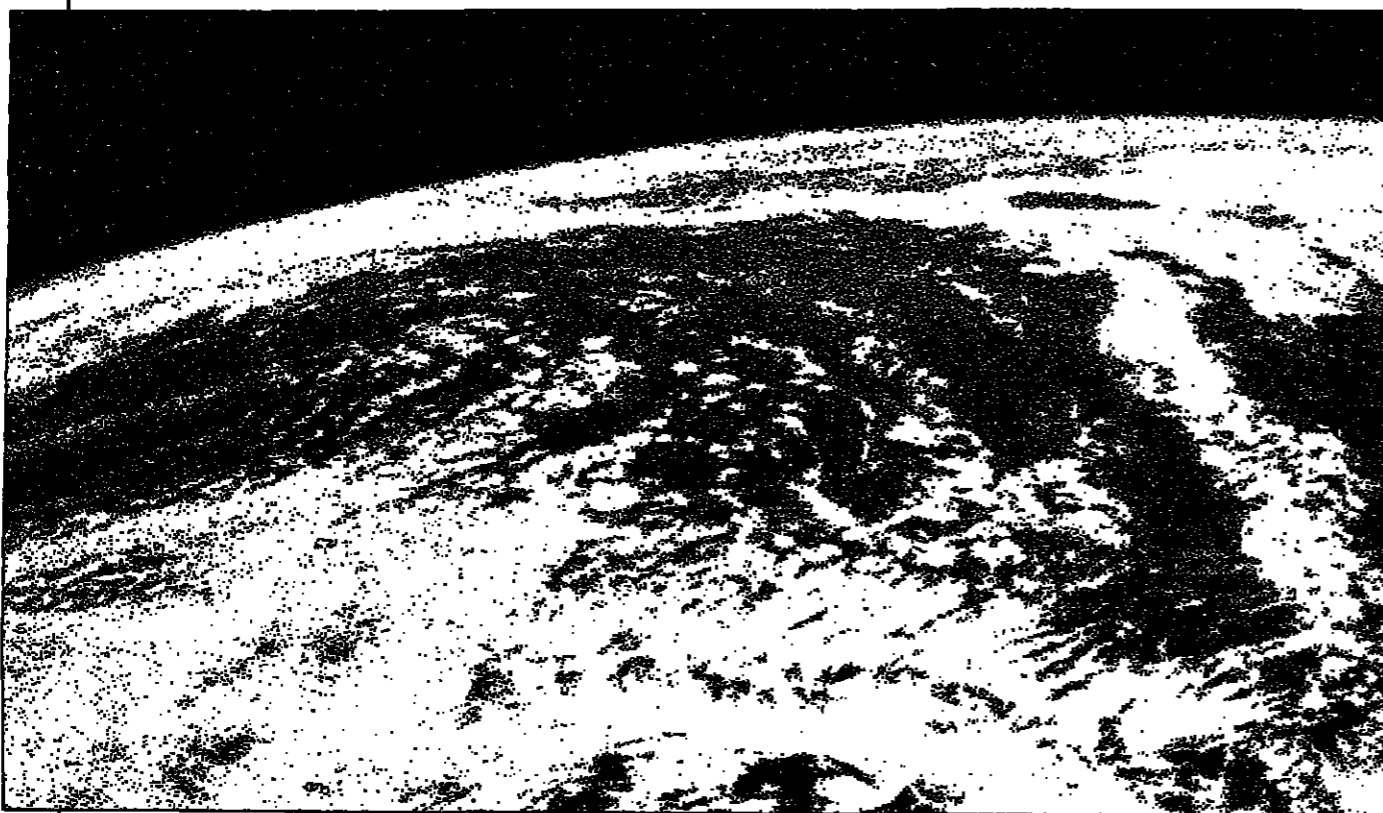
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Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277. Prices may vary according to market conditions and other factors.

RECENT ISSUES

March 20

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 Australian Ind Dev Co	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50
2000 Pacific Capital Inc	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50
2000 Pacific Capital Inc	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

STRAIGHT BONDS

Am. Security	%	Mat	Yield	Price	Mid	Low	High
Australia	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50
Canada	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50
Denmark	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

FINLAND

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 Finnish Ind Dev Co	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

FRANCE

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 French Ind Dev Co	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

SOUTH AFRICA

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 South African Ind Dev Co	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

SPAIN

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 Spanish Ind Dev Co	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

SUPRANATIONAL

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 World Bank	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

UNITED STATES AMERICA

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 US Treasury	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

HIGHEST YIELDS

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 World Bank	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

HIGHEST YIELDS

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 World Bank	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

HIGHEST CURRENT YIELDS

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 World Bank	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

FOREIGN TARGETED BONDS OF THE U.S.

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 US Treasury	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

DM STRAIGHT BONDS

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 DM Treasury	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

ZERO-COUPON BONDS

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 Zero-Coupon	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

DM STRAIGHT BONDS

Am. Security	%	Mat	Yield	Price	Mid	Low	High
2000 DM Treasury	8 1/2	Mar 87	10.50	102.50	102.50	102.50	102.50

(Continued on Page 10)

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Marketmakers in Deutschmark Bonds WestLB
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Continued

WestLB

Marketmakers in Deutschmark Bonds WestLB
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International Bond Prices

Main table of international bond prices with columns for Am, Security, % Mat, Price, Yield, and various regional sub-sections like SWITZERLAND, UNITED KINGDOM, CANADIAN DOLLARS, etc.

NASDAQ National List

NASDAQ National List table showing stock prices for various companies with columns for Stock, High, Low, Last, and Net.

EURO CURRENCY UNITS

EURO CURRENCY UNITS table listing financial instruments and their corresponding prices and yields.

FRENCH FRANCS

FRENCH FRANCS table listing financial instruments and their corresponding prices and yields.

JAPANESE YEN (EURO)

JAPANESE YEN (EURO) table listing financial instruments and their corresponding prices and yields.

CONVERTIBLE BONDS

CONVERTIBLE BONDS table listing convertible bond instruments and their corresponding prices and yields.

HIGHEST CURRENT YIELDS

HIGHEST CURRENT YIELDS table listing high-yield convertible bond instruments.

Explanation of Symbols

Explanation of Symbols section detailing the meaning of various abbreviations and symbols used in the bond listings.

THE INTERNATIONAL MANAGER

THE INTERNATIONAL MANAGER advertisement text, including contact information and a description of the service provided.

Vertical sidebar on the right edge of the page containing various financial notices, advertisements, and text.

South Africa, Banks Propose Debt Changes

Compiled by Our Staff From Dispatches NEW YORK — South Africa's leading bankers will propose to the rest of the nation's creditors certain changes in a debt-rescheduling agreement reached last month, according to industry sources in London. Under that agreement, South Africa was to extend for one year beginning March 31 a freeze on repayment of some \$14 billion in foreign debt. According to sources on Friday, one of the proposals would extend the freeze to 15 months. Also under the accord, South Africa was to pay \$500 million in principal over a year as a good-will measure. The proposed changes call for that money to be paid fully on April 15. The proposed changes, made by a subcommittee of South Africa's nearly 300 foreign lenders and mediated by a former Swiss central banker, Fritz Leutwiler, will go before the country's 30 leading creditors. Eventually, all of them would have to agree to the changes. One banker, who asked not to be identified, said that the compromise would give the South Africans a chance to prepare their own domestic budget, and would take the pressure off many banks, which hold public meetings on their annual results toward the end of the first quarter. (NYT, Reuters)

Analysts View Martin's Resignation As Delay to Easier U.S. Money Policy

By Alan Wheatley and Jeremy Solomons NEW YORK — Preston Martin's resignation as vice chairman of the Federal Reserve Board is a double-edged sword for the U.S. financial markets: It probably will delay further easing in monetary policy, but should reinforce confidence in the anti-inflation crusade by the Fed's chairman, Paul A. Volcker, analysts said. Mr. Martin, chief advocate at the Fed of a relatively easy monetary policy, denied that his resignation had anything to do with last month's clash with Mr. Volcker over the timing of a discount-rate cut. But analysts said his departure would leave the chairman clearly back on top, at least for now. "I think the market will have to wait longer for additional ease," said Jeffrey Leeds of Chemical Bank. Robert Brusca of Nikko Securities Co. International said: "The near-term prospects for another discount-rate cut have been made much more murky by his departure." "It is highly likely that there will be strong petitioning for another cut in light of the uneven economic recovery, but the Fed has now lost its most identifiable voice of accommodation," Mr. Brusca said. Robert Giordano of Goldman, Sachs & Co. noted that "to the extent that the market was nervous about a Volcker resignation, it would view this as positive." "But it cuts both ways," Mr. Giordano continued. "If the market was looking forward to an easier monetary policy, it's losing a strong advocate in Preston Martin. On balance, it's not substantively important." Mr. Martin was unofficial leader of four Reagan appointees to the Fed board who, on Feb. 24, voted over Mr. Volcker's opposition to cut the discount rate. The vote was 4-3, but the board agreed later that day to a delay that gave Mr. Volcker time to persuade Germany and Japan to cut their rates first, thus reducing the chances of a dollar free-fall. The U.S. discount cut finally was announced on March 7. Until a few months ago, any sign that Mr. Volcker's power was being eroded would have sent bond markets into a tailspin for fear that his seven-year mission to stamp out inflation was failing, economists said. But they noted that the slump in oil prices had changed inflationary expectations in the past three months and transformed market psychology. As a result, the markets were not particularly unsettled earlier last week when news first surfaced that Mr. Volcker had been outvoted. By the same token, bond prices barely reacted Friday when Mr. Martin announced his resignation. "Oil is now the dominant thing," said Stephen Shier of Shearson Lehman Brothers Inc. "All other issues are taking a back seat, including this one."

Uncertainty Over OPEC Pushes Bond Prices Down

By Phillip H. Wiggins NEW YORK — Although bond prices were down slightly at week's end, the 30-year bond yield remained under 8 percent and analysts said the market's performance was good considering uncertainties over efforts by the Organization of Petroleum Exporting Countries to raise prices. "Particularly positive for the bond market was the ease with

U.S. CREDIT MARKETS

which it took the bad news that OPEC is attempting to push oil prices back up to \$28 a barrel," said Gary Ciminero, chief economist at the Fleet Financial Group in Providence, Rhode Island. Higher oil prices would increase inflationary expectations, which would typically raise interest rates. Following the announcement that Preston Martin, vice chairman of the Federal Reserve Board, would resign, the bond market weakened a bit, with prices of the closely watched long-term bond — the 9% percent issue due in 2016 — finishing at 114 18-32, to yield about 7.96 percent. Among intermediate securities, prices for Treasury notes slipped, with the 8 1/2-percent, 10-year note due in 1996 off 1/32, to 107 15/32, to yield 7.78 percent. Short-term Treasury bill rates were mixed, with the three-month issue slipping 4 basis points, or hundredths of a percentage point, to 6.40 percent, and the six-month bill down 3 basis points, to 6.45 percent. The one-year bill rose a basis point, to 6.59 percent. Municipal bond dealers and participants continued to remain on the sidelines pending the Senate Finance Committee's scheduled hearings on Monday concerning a tax overhaul package. At a news conference Friday, Senator Bob Packwood, a Republican of Oregon and chairman of the finance committee, said it might vote down his plan to subject all tax-exempt interest to a minimum tax. Following the initial announcement of Mr. Packwood's proposal on Wednesday, bond prices dropped and yields rose nearly 50 basis points on municipals. However, when a majority of committee members indicated strong opposition to the Packwood proposal, trading resumed on a cautious basis. "Most traders now assume the Packwood bomb will be defused," said Alvin Marzke, director of fixed-income research at Butcher & Singer in Philadelphia. But as one trader said, "We have to see the fact of it rather than the opinion."

Pan Am Opposes Airline Merger

NEW YORK — Pan American World Airways Inc. has told the U.S. Transportation Department that it opposes Texas Air Corp.'s proposed takeover of Eastern Airlines Inc. because it is prepared to compete with Eastern and Texas Air's New York Air on the Boston-New York-Washington corridor. Pan Am urged that a replacement carrier be designated, to provide service on those routes and said it was prepared to launch its own operations as soon as facilities and slots became available. It said Friday that Texas Air and Eastern should have to give up a large number of gates at National Airport in Washington and LaGuardia Airport in New York.

Europe, U.S. End Talks on Airplanes

GENEVA — U.S. and European officials have ended a first round of talks over alleged government subsidization of commercial airplane makers without an agreement, but said they plan to meet again within two months. The United States charged that Britain, France and West Germany, the major partners in the Airbus Industrie consortium, helped pay for developing the Airbus. The Airbus was conceived as a medium-range aircraft, but a new long-haul model for Atlantic flights is being developed, a plan that worries U.S. manufacturers whose planes monopolize the route. The Europeans charged that U.S. airlines are developed with the help of multibillion-dollar defense contracts. Government subsidization of commercial airplane industries violates free trade rules of the General Agreement on Tariffs and Trade. "The talks were fair and constructive," the assistant U.S. trade representative, Bruce Wilson, said after the two days of talks ended Friday. Dieter Wolf of West Germany, chairman of the joint Airbus Committee of the British, French and West German governments, said that there would be another round of talks "in one or two months." Both sides have agreed to try to settle the argument without involving GATT settlement procedures. The three European governments said that funds made available to the Airbus consortium have to be repaid and therefore are not subsidies. At a news conference, they gave the following figures for government aid to Airbus: West Germany, \$1.2 billion; France, \$1.3 billion; and Britain, \$377 million. U.S. officials have said Europe

New Eurobond Issues

Compiled by Lawrence Desjardins from information supplied by European bond traders.

Table with columns: Issuer, Amount (millions), Mat., Coup., Price and yield, Terms. Includes sections for DATING RATE NOTES, EURO-COUPON, and WARRANTS.

Bonds Eclipse Credit Market U.S. Said to Want Bigger Say In IADB Lending Programs

By Carl Gewirtz million note issuance facility for Ireland. Meanwhile, three non-underwritten commercial paper facilities have been announced for financial institutions in Japan, France and Australia. The biggest is for Mitsubishi Trust & Banking Corp., which has appointed Merrill Lynch, Morgan Stanley and Shearson Lehman Brothers to market up to \$1 billion of short-term certificates of deposit. The bank is the largest of Japan's seven trust banks, with assets equal to \$80.55 billion last September, and the CD program is the largest, topping the \$750-million announced last month by Sumitomo Trust. France's Cie. Bancaire has appointed Merrill Lynch to market up to \$500 million of CDs ranging in maturity from one to six months. Westpac of Australia named Merrill, Morgan Guaranty, Morgan Stanley and Salomon Brothers to market up to \$500 million of short-term paper. Washington also wants to use the development bank as a vehicle for the plan drawn up by the U.S. Treasury secretary, James A. Baker 3d, under which banks and lending institutions would lend \$29 billion over three years to developing countries in exchange for economic reforms. But the IADB funds only projects like schools and development programs, granting loans on the basis of the viability of a project and attaching no other conditions. Under the U.S. proposal it would have to supervise economic change as well, delegates said, something for which it has neither the experience nor the appetite. Loans to export sectors might

Tax Change Helps to Put Sterling Back in Fashion

(Continued from Page 9) percent and Denmark 5 1/2 percent. In fact, the issues are swapped against each other, totally eliminating the risk of the yen's appreciation or depreciation at the time of redemption as they perform in diametrically opposite ways to any given change in the yen's value. (The annual interest payments, in yen, are not subject to any formula and play a minor role. The whole object of the exercise is to eliminate the foreign issuers' exposure to a dramatic appreciation of the yen at maturity when the principal amount of the loans must be repaid.) The issue for Denmark, aimed at foreign investors speculating on an appreciation of the yen, introduces a mini-max formula that places a maximum ceiling on the windfall profits investors can make if the dollar tumbles to less than 90 yen and a minimum loss if the dollar soars to over 263.55 yen. The dollar currently is worth around 175 yen. Assuming an exchange rate at maturity falling between these two extremes, the Denmark issue will be redeemed at face value in yen. Investors converting the repayment into dollars will reap the full gain if the yen has appreciated, or lose if it has depreciated. If the exchange rate at maturity is beyond the stated parameters, the redemption formula is triggered and the amount of yen repaid becomes variable: less than the face amount if the yen has appreciated or more than the face amount if it has depreciated. The formula is designed to provide an amount of yen that effectively sets 90 yen per dollar as the maximum repayment rate and 263.55 as the minimum. Thus, an investor buying a one-million yen note today for about \$5,714 is assured that the redemption value will be no greater than \$11,110 or no less than \$3,794. By contrast, investors speculating on a yen revaluation and willing to put their money for only two years longer can buy General Electric's 35-billion yen, seven-year issue launched last week bearing a coupon of 5 1/2 percent. This issue allows investors to pocket the full gain if the yen soars to less than 90. Of course, they also run the unlikely risk of the yen falling below 264. The Dansk issue, a dual-currency bond, operates in exactly the opposite way from the Denmark issue. The Dansk paper is targeted not for the foreign investor speculating on an appreciation of the currency but to Japanese investors attracted to a level of coupon income not otherwise available. Purchasers of this paper lose if the yen appreciates. The Dansk issue is also repaid in yen. But under an equally complicated redemption formula, the amount of yen paid at maturity fluctuates according to where the yen is trading against the dollar, with fewer yen paid as the currency appreciates and more yen as the currency declines. If the exchange rate is 171 yen to the dollar, investors who paid 1 million yen to buy the paper will receive 1 million yen (and in the meantime will have earned about 3 percentage points more per year having bought this 7 1/2-percent paper than if they had invested in traditional yen securities at home). But if the yen has appreciated sharply, trading at less than 90 to the dollar, there will be no principal repaid. If the yen has weakened sharply, beyond the floor of 263.55, the amount of yen repaid will be double the face amount. In either event the borrowers run no foreign exchange risk. In the most likely scenario of a sharply appreciating yen, at an exchange rate of 90 yen to the dollar, Dansk repays nothing and Denmark double, leaving the two Danish borrowers obliged to repay no more than the 20 billion yen they borrowed. In the unlikely case of a collapse of the yen, the borrowers will repay more yen than they borrowed. But the cost in dollar terms to buy those yen will be equal to the dollars they get from converting at today's exchange rate the 20 billion yen they borrowed. In the equity-linked market, Kreditbank Luxembourg offered 100,000 bonds convertible into nonvoting preferred shares, the first nonvoting stock to be sold by any Luxembourg bank. The 10-year bonds, bearing an annual coupon of 6 1/2 percent, were offered at a price of 11,750 Luxembourg francs, raising the bank's capital by the equivalent of \$26 million when all the bonds are converted into shares, on a one-for-one basis.

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INTERNATIONAL MANAGER... SIDE BY SHERRY BUCH... IN THE...

Handwritten note: 251 out of 260

NASDAQ National Market

OTC Consolidated trading for week ended Friday

Table of NASDAQ National Market data, including columns for Sales, High, Low, Close, and Net Change for various stocks.

Table of market data with columns: Sales, High, Low, Close, Net Change.

Table of market data with columns: Sales, High, Low, Close, Net Change.

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Table of market data with columns: Sales, High, Low, Close, Net Change.

EUROPEAN COMMUNITY

EC Court Weighs Opening of Insurance Market

Steven J. Dryden International Herald Tribune BRUSSELS — The European Court of Justice is considering a preliminary opinion that, if upheld, could force open the European Community market for insurance services.

enter other EC markets, has been a particularly strong advocate of liberalization. The EC move in the GATT came at a time when the community is increasing its pressure on Japan.

Friction With Japanese Resurfaces Over GATT

Friction between the EC and Japan over Tokyo's huge trade surplus with the community surfaced last week during a General Agreement on Tariffs and Trade committee session preparing for the new round of multilateral trade talks.

Plan Would Lift Limits On Television Broadcasts

The EC Commission has proposed regulations to remove restrictions on television broadcasting across national borders.

Belgium and Italy Intervene on Behalf of the Four Countries, While the Netherlands and Britain Supported the Commission

Belgium and Italy intervened on behalf of the four countries, while the Netherlands and Britain supported the commission. Britain, whose vigorous insurance and financial services sectors are eager to

Peak of 24,700 Early in 1982. And the Distress Spread to Other Business Sectors

peak of 24,700 early in 1982. And the distress spread to other business sectors. Total nonfarm employment in Midland fell by 5,600, to 49,100, in January, in Odessa, it dropped by 12,600, to 51,900.

Chicago Exchange Options

Figures as of close of trading Friday

Table of Chicago Exchange Options data, including columns for Option & price, Calls, and Puts.

Option & price Calls Puts

Table of Option & price data, including columns for Calls and Puts.

NYSE Most Actives

Table of NYSE Most Actives data, including columns for AT&T, IBM, and other stocks.

NYSE Sales

Table of NYSE Sales data, including columns for Total for week, Year to date, and New Issues.

NYSE Diaries

Table of NYSE Diaries data, including columns for Declined, Unchanged, and New Issues.

AMX Most Actives

Table of AMX Most Actives data, including columns for Wicks, AMX, and other stocks.

AMX Sales

Table of AMX Sales data, including columns for Total for week, Year to date, and New Issues.

AMX Diaries

Table of AMX Diaries data, including columns for Declined, Unchanged, and New Issues.

American Exchange Options

Figures as of close of trading Friday

Table of American Exchange Options data, including columns for Option & price, Calls, and Puts.

SPORTS

Girardelli Keeps Ski Championship; Svet Caps Yugoslavia's Banner Year

Compiled by Our Staff From Despatches
BROMONT, Quebec—Despite a fall in the final slalom race of the season, Massimo Girardelli won his second consecutive overall World Cup title when the only man who could overtake him came up short.

WORLD CUP SKIING
Paul Frommelt of Liechtenstein was second in 1:59.88 and Zurbriggen third in 2:00.11. Zurbriggen ended the season 10 points behind Girardelli.

down the Coupe du Monde course to post an aggregate 2:17.16. Runner-up was Olga Charvatova of Czechoslovakia in 2:18.76; Vreni Schneider of Switzerland was third in 2:19.27.



Gagging it up, Louisiana State Coach Dale Brown treated himself to a victory snack.



Debi Thomas

Skater Thomas Wins Women's World Title

The Associated Press
NEVA, Switzerland—American Debi Thomas won the women's world figure-skating title by defeating Soviet skater Marina Klimova in a close final.

Berbeck Wins Heavyweight Crown Underdog Becomes WBC Champ; Qawi Stops Leon Spinks

The Associated Press
LAS VEGAS—Trevor Berbeck confounded the 6-to-1 odds against him and took the World Boxing Council heavyweight championship away from the previously undefeated Pinklon Thomas on a unanimous decision Saturday night.

The champion never landed a clean shot with the vaunted right hand which he knocked out Mike Weaver in his first title defense last June.

Berbeck was marked around both eyes and Thomas was cut on the corner of his left eye. The judges scored the fight 115-113, 115-113 and 115-114 for Berbeck, a Jamaican who lives in Miami.

LSU, Louisville in NCAA Semis

Compiled by Our Staff From Despatches
NEW YORK—Strong inside games in the closing minutes by freshman center Pervis Ellison of Louisville and sophomore forward Ricky Blanton of Louisiana State carried the Cardinals and Tigers into a final-four meeting next weekend in the National Collegiate Athletic Association basketball championships.

Blanton scored 15 points and blocked two key shots to dominate play in the last nine minutes as Louisville defeated Auburn, 84-76, in the West Regional final Saturday in Houston.

Blanton scored eight of this team's final 12 points as unranked LSU claimed the Southeast Regional title by upsetting third-ranked Kentucky, 59-57, in Atlanta.

SCOREBOARD

Table with columns for Eastern Conference, Western Conference, AA Tournament, and Final Four. Lists various sports teams and their records.

Basketball

Table with columns for National Basketball Association Standings, Eastern Conference, and Western Conference. Lists teams like Dallas, San Antonio, and Los Angeles with their win-loss records.

Hockey

Table with columns for National Hockey League Standings, Wales Conference, Campbell Conference, and Friday's Results. Lists teams like Philadelphia, Washington, and New York with their records.

Soccer

Table with columns for African Cup, European, and Spanish First Division. Lists teams like Egypt, Cameroon, and various European clubs with their performance.

Tennis

Table with columns for Men's and Women's Tournaments. Lists players like Mats Wilander, Andrei Medvedev, and Martina Navratilova with their match results.

World Cup Skiing

Table with columns for Men, Women, and Final Overall Standings. Lists skiers like Massimo Girardelli, Vreni Schneider, and Debi Thomas with their points.

Figure Skating

Table with columns for World Championships and Exhibition Baseball. Lists skaters like Debi Thomas and baseball players like Kirby Puckett.

Post-'Prizzi,' Anjelica Huston Still in a House of Her Own

By Cynthia Gorney
Washington Post Service
LOS ANGELES—The script of "Prizzi's Honor," Anjelica Huston saw, was not quite getting to the heart of the thing...



"It's kind of a surprising position to find myself in."

Sisters of Mercy," Huston said. "I was a day girl, and I didn't have to learn my catechism, because I wasn't Catholic. I would sometimes bring the girls from the convent school home to my house and give them things from my doll-house. It was this terrible sort of elitist position."

LANGUAGE Hold That Hyperbole!

By William Safire
WASHINGTON—As a presidential campaign approaches, great rhetorical and metaphoric strain is placed on the language. Candidates and spokesmen are tempted to scale heights of hyperbole and word-configuration that are never attempted in pursuit of less exalted office...

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Our new schedule effective from April 7th